



**THOMAS L. GARTHWAITE, M.D.**  
Director and Chief Medical Officer

**FRED LEAF**  
Chief Operating Officer

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES  
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**BOARD OF SUPERVISORS**

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February 3, 2005

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENTS WITH VARIOUS EQUIPMENT MAINTENANCE AND  
REPAIR SERVICE PROVIDERS**

(All Districts) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and delegate authority to the Director of Health Services, or his designee, upon review and approval by County Counsel, to:

1. Amend 12 equipment maintenance Agreements listed on Attachment A to delegate authority to the Director to add/remove equipment, as necessary, for maintenance and repair services at Department of Health Services' facilities, and to increase the total maximum obligation for these Agreements, in the aggregate, in any fiscal year through June 30, 2006 by no more than 20% above the Fiscal Year 2004-05 maximum obligation to accommodate any added equipment that exceeds the total maximum obligation, for a potential annual increase of \$216,658.
2. Amend Agreements with ACMI Corporation, Lanier Healthcare, LLC, and Datex-Ohmeda, Inc., listed on Attachment B, to provide maintenance and repair services for additional equipment that is no longer under warranty or provided through purchase order at various Department of Health Services facilities, effective upon Board approval

through June 30, 2006, to increase the combined total maximum obligation from \$319,916 to \$511,462, an increase of \$191,546, net County cost, and to increase the total maximum obligation for these Agreements, in the aggregate, in any fiscal year through June 30, 2006 by no more than 20% above the Fiscal Year 2004-05 maximum obligation to accommodate any added equipment that exceeds the total maximum obligation, for a potential annual increase of \$42,456.

3. Amend 3 Agreements with Philips Medical Systems, Inc., Philips Ultrasound, Inc., and GE Medical Systems, listed on Attachment C, to: 1) provide maintenance and repair services for additional equipment that is no longer under warranty or provided through purchase order at various Department of Health Service facilities, effective upon Board approval through June 30, 2005; 2) increase the combined maximum obligation from \$2,217,421 to \$2,649,216, an increase of \$431,795, net County cost; and 3) delegate authority to the Director to add/remove related equipment, as necessary, for maintenance and repair at Department of Health Services' facilities, and increase the total maximum obligation for these Agreements in the aggregate by no more than 10% above the Fiscal Year 2004-05 maximum obligation, to accommodate any added equipment that exceeds the total maximum obligation, for a potential increase of \$264,922.

#### PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

The purpose of these recommended actions is to enable the Department of Health Services (DHS or Department) to ensure continued provision and management of maintenance and repair services for a variety of critically-needed equipment at DHS facilities by delegating limited authority to the Director, or his designee, to make the necessary adjustments in equipment inventory and related contract funding to maintain and repair such equipment.

#### Implementation of Strategic Plan Goals

The actions meet the County's Strategic Plan Goals of Service Excellence and Organizational Effectiveness by promoting best practices in maintaining patient care equipment and providing flexibility to ensure that all the equipment is maintained to industry, licensing, and certification standards.

#### FISCAL IMPACT/FINANCING:

The current and proposed annual maximum obligations for each DHS facility by Agreement are identified on Attachments A, B, and C.

On June 29, 2004, the Board approved the annual maximum obligations for the 15 Agreements listed on Attachments A and B and also approved the annual maximum obligations for 3 other

equipment maintenance and repair Agreements - GE Medical Systems, Phillips Ultrasound, Inc., and Phillips Medical Systems (Cleveland), Inc. (Attachment C).

Under the Director's delegated authority, the maximum obligation for the Agreements listed on Attachment A, may be increased by a total of \$216,658 per fiscal year, or 20% of the current maximum obligation for Fiscal Year (FY) 2004-05.

The 3 Agreements listed on Attachment B, ACMI Corporation, Lanier Healthcare, LLC, and Datex-Ohmeda, Inc., are being increased by a total of \$191,546, above the original maximum obligations for fiscal years 2004-05 and 2005-06 for a revised total maximum obligation of \$511,462. Under the Director's delegated authority, the maximum obligation for these Agreements may be increased by a total of \$42,456 per fiscal year, or 20% of the proposed maximum obligation for FY 2004-05.

The 3 Agreements listed on Attachment C, GE Medical Systems, Philips Medical Systems, Inc., and Philips Ultrasound, Inc., are being increased by a total of \$431,795 through June 30, 2005, above the original maximum obligations for a revised total maximum obligation of \$2,649,216. Under the Director's delegated authority, the maximum obligation for these Agreements may be increased by a total of \$264,922 or 10% of the proposed maximum obligation for FY 2004-05.

Funding is included in the Fiscal Year 2004-05 Adopted Budget and will be requested, as necessary, in future fiscal years.

#### FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The Department is requesting that the Director, or his designee, be given delegated authority to add/remove related equipment from the Agreements listed on Attachments A and B, and to increase the maximum obligation, in the aggregate, by no more than 20% above the FY 2004-05 maximum obligation in any fiscal year through June 30, 2006. On Attachment C, the delegated authority being requested is 10% over the FY 2004-05 proposed maximum obligation.

#### Delegated Authority to Add or Delete Equipment and Funding (Attachment A)

On June 29, 2004, the Board approved Agreements with 21 service providers formerly providing services under warranties or purchase orders effective July 1, 2004 through June 30, 2006. Of the 21 Agreements, 15 provide for the maintenance and repair of medical or facility equipment located at various DHS facilities.

The equipment will continue to be maintained in accordance with the manufacturer's performance standards and in compliance with all accrediting and reviewing agencies' requirements, including the Joint Commission on the Accreditation of Healthcare Organizations (JCAHO). The Agreements may be terminated for convenience by County upon 10 or 30 days advance written notice to Contractor depending on what the specific contract language requires.

ACMI Corporation, Lanier Healthcare, LLC, and Datex-Ohmeda, Inc., (Attachment B)

ACMI Corporation (ACMI) and Lanier Healthcare, LLC (Lanier), 2 of the 21 Agreements described above, did not receive adequate funding to cover all the existing equipment at DHS facilities.

The ACMI Agreement needs to include a variety of diagnostic scopes at a cost of \$36,525 through June 30, 2005, and \$91,874 for 12 months for Harbor-UCLA Medical Center. These scopes were covered under a prior contract which was subsequently bought out by another vendor that does not repair scopes.

The current Agreement with Lanier is for maintenance and repair services of medical transcription equipment at Martin Luther King, Jr./Drew Medical Center (King/Drew) and Rancho Los Amigos National Rehabilitation Center (Rancho). The amount of funding for King/Drew is insufficient to cover all the services that King/Drew needs, because additional equipment needs to be maintained. At LAC+USC Medical Center, equipment needs to be added to the Agreement. For the past 5 years, this equipment was maintained by MedQuist, the manufacturer. The equipment has now been depreciated and was purchased by the County. Lanier, owned by MedQuist, uses proprietary software so the County is unable to obtain these maintenance and repair services from another vendor.

The current Agreement with Datex-Ohmeda, Inc. provides for equipment maintenance and repair of anesthesia equipment and blood gas analyzers at Olive View Medical Center and High Desert Health System. Anesthesia equipment and blood gas analyzers at Harbor-UCLA Medical Center have fallen off warranty and need to be added to the existing Agreement.

Agreements with Philips Ultrasound, Inc., Philips Medical Systems, Inc. and GE Medical Systems (Attachment C)

Philips Ultrasound, Inc., Philips Medical Systems, Inc., and GE Medical Systems provide equipment maintenance and repair services for radiology and other imaging equipment. This equipment has come off warranty, purchase order or a lease agreement and needs to be added to the following agreements to ensure necessary preventive maintenance and repair services. The Department is requesting authority to increase these Agreements to a maximum of 10% over the FY 2004-05 proposed maximum obligation. These Agreements expire June 30, 2005.

The Contractors listed on Attachments A, B, and C provide equipment maintenance and repair services for a wide variety of equipment located in operating rooms, radiology, laboratory, etc. at the Medical

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Centers and other DHS facilities. All the equipment must be inspected and maintained to meet JCAHO standards and DHS facilities must document that maintenance of equipment is consistent with industry standards to minimize risks.

The Department has determined that these are not Proposition A Agreements because the services are provided on a part-time or intermittent basis, and therefore, provisions of the County's Living Wage Program do not apply.

Attachments A, B, and C provide additional information.

CONTRACTING PROCESS:

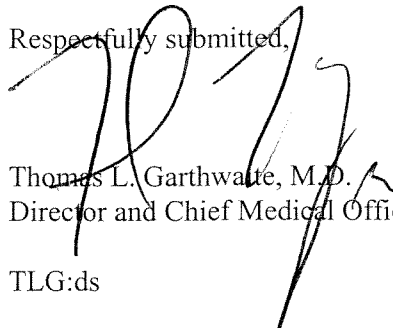
Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

The approval of these actions will allow DHS to ensure necessary equipment repair and maintenance services are provided without interruption at County health facilities.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.  
Director and Chief Medical Officer

TLG:ds

Attachments (3)

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors

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ATTACHMENT A

AMENDMENTS TO VARIOUS EQUIPMENT MAINTENANCE AND REPAIR SERVICES AGREEMENTS  
DELEGATED AUTHORITY TO DHS DIRECTOR TO ADD EQUIPMENT/FUNDING

Effective Upon Board Approval through June 30, 2006

Contractor		Service Description	Facilities	Current Annual Maximum Obligation*
1	AGFA Corporation	Maintenance and Repair (Radiology Medical Equipment)	MLK/D RANCHO H/UCLA	\$ 20,491 5,000 <u>73,488</u> \$ 98,979
2	Aloka	Maintenance and Repair (Ultrasound Medical Equipment)	H/UCLA MLK/D	\$ 18,836 <u>11,600</u> \$ 30,436
3	Bernard Fainzstein	Maintenance and Repair (X-Ray Medical Equipment)	MLK/D	\$116,460
4	Diebold, Incorporated	Maintenance and Repair (Security Access Control System)	MLK/D	\$40,632
5	Fischer Imaging	Maintenance and Repair (Mammography Medical Equipment)	MLK/D	\$ 17,496
6	Instrumentarium Imaging	Maintenance and Repair (Mammography Medical Equipment)	OV/UCLA	\$ 13,400

**AMENDMENTS TO VARIOUS EQUIPMENT MAINTENANCE AND REPAIR SERVICES AGREEMENTS ADDITION OF EQUIPMENT**  
Effective Upon Board Approval through June 30, 2006

Contractor	Service Description	Facilities	Current FY 2004-05 Annual Maximum Obligation	Proposed FY 2004-05 Increase	Proposed FY 2004-05 Maximum Obligation*	Current FY 2005-06 Annual Maximum Obligation	Proposed FY 2005-06 Increase	Proposed FY 2005-06 Annual Maximum Obligation
1	ACMI Corporation	Maintenance/ Repair (Endoscopic Med. Equipment)	OV/UCLA H/UCLA TOTAL	\$ 76,000 8,851 \$ 84,851	\$ 27,674	\$ 76,000 <u>36,525</u> \$ 112,525	\$ 76,000 8,851 \$ 84,851	\$ 76,000 <u>91,874</u> \$ 167,874
2	Lanier Healthcare, LLC.	Maintenance/ Repair (Dictations System)	RANCHO LAC+USC MLK/D TOTAL	\$ 17,000 0 21,807 \$ 38,807	\$ 13,379 \$ 3,878	\$ 17,000 <u>13,379</u> <u>25,685</u> \$ 56,064	\$ 17,000 0 21,807 \$ 38,807	\$ 17,000 <u>32,110</u> <u>31,113</u> \$ 80,223
3	Datex-Ohmeda, Inc.	Maintenance/ Repair (Various Med. Equipment)	OV/UCLA HD H/UCLA TOTAL	\$ 31,000 \$ 5,300 0 \$ 36,300	\$ 7,392	\$ 31,000 \$ 5,300 <u>7,392</u> \$ 43,692	\$ 31,000 \$ 5,300 0 \$ 36,300	\$ 31,000 5,300 <u>14,784</u> \$ 51,084
	Total		\$ 159,958	\$ 52,323	\$ 212,281	\$ 159,958	\$ 139,223	\$ 299,181
TOTAL:			\$ 212,281					
20% Delegated Authority:			<u>42,456</u>					
GRAND TOTAL:			\$ 254,737					

\* The funding for additional equipment is for a partial year.

**LEGEND:**

H/UCLA: Harbor/UCLA Medical Center  
LAC+USC: LAC+USC Medical Center  
MLK/D: King/Drew Medical Center  
OV/UCLA: Olive View/UCLA Medical Center

RANCHO: Rancho Los Amigos National Rehabilitation Center  
HD: High Desert Health System

**AMENDMENT TO VARIOUS EQUIPMENT MAINTENANCE AND REPAIR SERVICE AGREEMENTS ADDITION OF EQUIPMENT**  
Effective Upon Board Approval through June 30, 2005\*

<b>Contractor</b>	<b>Service Description</b>	<b>Facilities</b>	<b>Current FY 2004-05 Annual Maximum Obligation</b>	<b>Proposed Increase</b>	<b>Proposed FY 2004-05 Annual Maximum Obligation</b>
1	Philips Ultrasound, Inc.	H/UCLA HD LAC+USC MLK/D OV/UCLA ROYBAL <b>TOTAL</b>	\$ 32,516 0 105,394 7,226 29,926 <u>8,670</u> \$183,732	\$ 8,203 <b>4,500</b> <b>20,995</b> <b>0</b> <b>35,400</b> <u><b>10,165</b></u> <b>\$79,263</b>	\$ 40,719 4,500 126,389 7,226 65,326 <u>18,835</u> \$262,995
2	Philips Medical Systems (Cleveland), Inc.	H/UCLA HD LAC+USC MLK/D OV/UCLA RANCHO El Monte Hudson CHC Long Beach Roybal CHC Bellflower La Puente Pico Rivera Wilmington <b>TOTAL</b>	\$ 5,864 39,549 943,694 173,326 68,616 0 92,747 87,278 20,257 19,597 10,990 10,836 11,113 <u>12,200</u> \$1,496,067	\$ 110,178 <b>0</b> <b>0</b> <b>114,040</b> <b>66,695</b> <b>22,000</b> <b>0</b> <b>0</b> <b>0</b> <b>0</b> <b>0</b> <b>0</b> <b>0</b> <u><b>0</b></u> <b>\$312,913</b>	\$ 116,042 39,549 943,694 287,366 135,311 22,000 92,747 87,278 20,257 19,597 10,990 10,836 11,113 <u>12,200</u> \$1,808,980

**AMENDMENT TO VARIOUS EQUIPMENT MAINTENANCE AND REPAIR SERVICE AGREEMENTS ADDITION OF EQUIPMENT**  
Effective Upon Board Approval through June 30, 2005\*



Contractor	Service Description	Facilities	Current FY 2004-05 Maximum Obligation	Proposed Increase	Proposed FY 2004-05 Maximum Obligation
3	GE Medical Systems	Maintenance and Repair (Radiology Equipment)			
		H/UCLA	\$ 205,257	\$ 0	\$ 205,257
		HD	8,574	3,875	12,449
		LAC+USC	54,552	1,000	55,552
		MLK/D	58,058	7,918	65,976
		OV/UCLA	100,000	14,576	114,576
		RANCHO	58,000	0	58,000
		Humphrey CHC	13,491	0	13,491
		Hudson CHC	8,000	7,000	15,000
		MidValley CHC	0	5,250	5,250
		Roybal CHC	12,000	0	12,000
		Glendale HC	7,060	0	7,060
		Tucker PHC	8,564	0	8,564
		Weingart PHC	4,066	0	4,066
		<b>TOTAL</b>	<b>\$537,622</b>	<b>\$ 39,619</b>	<b>\$577,241</b>

**TOTAL:** \$2,217,421

10% Delegated Authority: \$431,795

**GRAND TOTAL:** \$2,649,216

264,922

\$2,914,138

LEGEND:

- H/UCLA: Harbor/UCLA Medical Center
- HD: High Desert Health System
- LAC+USC: LAC+USC Medical Center
- MLK/D: King/Drew Medical Center
- OV/UCLA: Olive View/UCLA Medical Center
- RANCHO: Rancho Los Amigos National Rehabilitation Center